

Pensions Action Group Newsletter

Issue 25

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Fighting to get our pensions back

Make Your Vote Count on May 6th!

Issues to Consider

The forthcoming General Election is shaping up to be the most important for many years, with the fate of the economy, the structure of Parliament and the way we elect our MPs being just a few of the weighty issues at stake. The parties also differ in their attitude to the injustices we have faced through the loss of our pensions, although it is not immediately obvious how best to vote as none of the parties has committed to meeting our demands.

Only you can decide how best to cast your vote – you should not let anyone tell you how to use it. We offer you the following analysis only as a starting point, from which you can make your own decision on the basis of your own situation.

PAG is not a party-political organisation, although many of our members have strong political affiliations. We are happy to work with any party of goodwill who will help us to achieve our goal of 100% compensation for our lost pensions. These comments are aimed at enhancing the prospects of achieving that goal.

It is fairly clear now that any improvement to the payments which we will get from the FAS or the PPF will only come through Parliament. It is possible that there may be some further legal developments, particularly if the unions decide to revive their case under a new Government, but at the present moment that looks unlikely.

Representatives of PAG have met the ministers or shadow ministers of each of the three major parties on a number of occasions. All have been sympathetic and recognise that we have lost substantial sums through no fault of our own.

- Labour have made it very clear however that they have no intention of improving on the current terms of the FAS and PPF.

- The Conservatives on the other hand, whilst making no commitments to improvements, have pointedly not ruled them out either. Their shadow ministers have been very critical of Labour's record on this issue in Parliament and may therefore be more inclined to make some improvements if not to give us the 100% we are asking for.
- The Liberal Democrats have been even more supportive and were actively considering including the issue in their manifesto but were deterred by the cost.
- Some of the regional parties have also been supportive, particularly Plaid Cymru and the SNP.

On this basis, it would seem that our interests would be best served by voting for whichever candidate is most likely to defeat the Labour candidate. However, it may not be quite so simple.

If the Conservatives (or Libdems) were to achieve a comfortable overall majority, they would be safe for a full term of Parliament. In that situation, if they were to decide that reducing public expenditure had a higher priority than providing us with compensation, there would be very little pressure that we could apply. In a hung parliament, on the other hand, they (and any coalition partners) would be very conscious of the need to face the electorate again before long and may give more weight to the potential votes from 150,000 people who have been deprived of their full pensions (plus family and friends). So a hung parliament may give us a better opportunity to make progress. This may even also be the case if the government is formed by Labour working with the Libdems.

Finally, you may want to take into consideration the record of your current MP. Some Labour MPs have been extremely supportive of our case and it would be good to see them back in the new Parliament. Sadly, some such as Alan Simpson, Tony Wright and Derek Wyatt are standing down and they will be sorely missed. However, others are standing again and might consider supporting us, especially from the opposition benches.

In summary then, we suggest that you consider the record of your current MP and, if she has been supportive, to vote for her, regardless of party. Otherwise, we suggest voting with the aim of bringing about a hung parliament with a Conservative/LibDem coalition. Depending on local circumstances, this might mean voting Conservative, LibDem, or for one of the regional parties. If the Tories put on a late surge and look like having an overall majority it might even mean voting Labour!

Good luck!

The Great Pensions Robbery

[Alex Brummer, City Editor of the Daily Mail and a one-time Guardian journalist has just published a book about the pension scandal.]

If you have not managed to get a copy of this book I would highly recommend that you do so at your earliest opportunity.

The book describes the introduction and progress of both state and private pensions provision during the last 250 years and the devastating decline of adequate occupational pensions provision since the mid 1990's.

It reveals the effect of political interference and strong, bullying personalities culminating in wrong and fateful decisions being made, despite very strong warnings being given. Gordon Brown obviously is the main target for blame, with his cynical, pre-meditated and deceitful betrayal of workers pensions by the removal of tax credits in his first budget, a plan which he and his tight circle of cronies had hidden from even Tony Blair, but which supported his own ambitions, to our eventual cost.

The book covers our campaign, although this is limited to one chapter out of eleven, so it is understandable if Alex Brummer has not included some aspects that were so important to us, such as the involvement of the PASC, the individual court

cases, our individual suffering, the suicides, our impoverishment and our current outstanding issues.

There is a revealing chapter about Equitable Life which once again explains how New Labour have betrayed their core traditional supporters in the belief that the victims were 'just another bunch of over-protected investors who now wanted the taxpayer to pick up the tab'.

Ros Altmann is quoted many times, and her expertise has obviously helped Alex with his work. Her involvement in our struggle can never be overestimated.

I would suggest that you take a copy of this book to whoever your new MP is after the election, to give them background to our ongoing demands, as we solicit their support in the near future. Anyone reading this book with an open mind would quickly understand why we deserve full compensation.

The book is well up to date, and includes several references to the way that banks and their pension schemes, and Icebank savers, were fully compensated so quickly, while we and Equitable Life savers have been dismissively kicked into the long grass so many times.

Anyone trying to decide which way to vote on May 6th should read this book. It would show them that Gordon Brown is not only unfit to hold the position of Prime Minister but that, in my opinion, he should be held criminally responsible for some of the actions he took, against all the best advice.

It is also clear that Tony Blair, intimidated by Brown, must also take his share of responsibility in the downfall of occupational pensions under his watch. Brown worked for him and under him, and on finding out about the deceit and purposeful dismissal of sound, calculated advice and predictions from the industry, Government advisors and even Treasury officials, he should have sacked him forthwith without having to wait for the awful consequences to emerge.

There are many excerpts from the book that I could include here, but they could be taken out of context and I would not want to spoil a gripping read, but in his chapter describing the aftermath of the 1997 election, entitled 'At the Dawn of New Labour', Brummer concludes:

"Labour should have been well-suited for the task ahead. A party with a history of welfare reform, carried

to power on a wave of popular euphoria, they also had the Commons majority to allow them to think boldly. And they had inherited a booming economy that would allow them to put ambitious plans into action. New Labour were in an excellent position to make pensions fit for purpose on the new millennium on the horizon. What followed was a shambles."

Says it all really.

Richard Nicholl

[The book is available for £8.08, post-free from Amazon at <http://tinyurl.com/35l7mmg>]

Pensions and the General Election Party leaders response to PAG

[PAG press release issued 29 April]

The Pensions Action Group wrote to each of the main party leaders on the 15th March expressing serious concerns at the damage that had been done to the UK pensions system and the severe impact on the retirement expectations of millions of workers.

More specifically, we raised the shortcomings of the Government's Financial Assistance Scheme (FAS) which will affect over 140,000 people who lost some or all of their pensions before 2005. This loss was as a result of the closure of their occupational schemes, usually when their employer went bankrupt. The Government had encouraged people to join these schemes and told them that "your pension will be safe whatever happens to your employer". But whilst the savers in Icelandic banks, and the pension funds of the rescued banks have been 100% protected, these pensioners may get as little as 50% of the pensions they saved for.

Among the most serious concerns with the FAS that still need addressing are:

- An almost complete lack of inflation protection, which should reflect what each scheme would have provided.
- The lack of any compensation at all prior to May 2004 for those who retired before that date.

The responses from the politicians have been disappointing:

Nick Clegg:

The reply from his response team did not specifically answer our concerns, although we know they have been supportive in committee.

David Cameron:

No direct response but a PAG member has received a reply from Theresa May which was very supportive, but without any commitment and, ominously, referred to the state of public finances.

Gordon Brown

Deafening Silence

Given the crisis facing future private sector pension provision, and in particular the suffering of those still not receiving adequate FAS compensation for the full pensions they expected (and had paid for) we are very concerned not to have received adequate proposals from the party leaders and, in particular, no response at all from Labour.

Pensions are based on trust. Why should anyone save in a pension scheme when they can see how easily an earlier generation has had their pensions taken from them?

If they are at all serious about restoring confidence in pensions they MUST resolve the few remaining issues surrounding the FAS, which simply does not deliver anywhere near the 90% headline claimed both by the Pensions Minister and the Prime Minister.

ASW Pensions Protest

Ex-employees of ASW who lost the majority of their pension when ASW went into receivership held a protest and handed out leaflets outside the Welsh Assembly in Cardiff Bay from 07:45 to 10:30 on Tuesday 20th April.

The theme of the protest was the hypocrisy of Labour's Election slogan "A Future Fair for All" when in reality it is only fair for the pension funds of the failed banks, fair for the savers with offshore Icelandic banks but is most certainly NOT fair for the employees of ASW, and other companies, who lost a large part of their pensions when their companies went into receivership.



In his keynote speech at the 2009 Labour Party conference Gordon Brown claimed (exact words, our emphasis):

*"Our choice was clear; we nationalised Northern Rock and took shares in British banks, and as a result **not one British saver has lost a single penny.**"*

As the protestors have all lost many pennies from their pensions savings they view this speech with some anger.

"We thought it was all over, why are you demonstrating again?"

It has become quite clear that MPs believe that the December 2007 announcement by the Government was the end of our campaign, and that our pensions had been restored. This is not the case.

We paid for, expected, and were told by the government that we were guaranteed 100% of what we had saved for, but not only are we not getting 100% we are not even getting the 90% promised by the Prime Minister! In some cases people are getting less than 50% of their pension entitlement.

So far we have seen our pensions eroded by:

- Almost no post retirement protection against inflation
- Unfair treatment for seriously ill members
- Failure to backdate the benefits before May 2004
- A restrictive cap on our benefits which penalises members with long service
- Regulations that fail to recognise the benefits members have sacrificed
- Unfair treatment of contracted-out benefits

- Restrictions on members' rights to draw benefits

All we ever fought for has been justice, which needed the combined strength of the Parliamentary Ombudsman, a Select Committee and the High Court to make the Government realise they HAD to respect the law of the courts and the views of the Ombudsman!

Special mention should go to John Benson for tracking down G Brown on an unannounced visit to Cardiff that very afternoon. John ambushed him at the station, thrust a placard into his petrified face and shouted 'THIEF' - amongst other things. He was released, unrepentant, by Special Branch shortly afterwards !

Thanks to all those who helped make this event such a success and particularly to Pete Wheeler for organising the leaflets and placards.

Visteon London demonstration

31 March 2010

Congratulations to the Visteon Pension Action Group on their successful demonstration. In the sort of financial smoke and mirrors which are becoming all too familiar, their original employer (Ford) hived their jobs off into a new company which went bankrupt and they now refuse to take any responsibility for the deficit in the pension fund. About 500 supporters gathered in Holborn and then marched to Downing Street to hand in their petition to Gordon Brown, and then on to Parliament Square where they were addressed by a range of speakers. This was an excellent turnout on a drizzly day with a bitter wind blowing, and it shows that working people will stand and fight for their pensions. It was also good to see such solid support from their union, Unite, who helped to organise the event.

A number of PAG members joined the march and PAG is supporting the VPAG in their battle to avoid being tipped into the PPF - more power to your elbow!

There is a full account of the event on Indymedia at <http://tinyurl.com/3yyqfg2>

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